

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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BILL DRAFT 2009-SVxz-17A [v.5] (03/22)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)

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Short Title: Modernize Admissions Tax.

(Public)

Sponsors: Unknown.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO MODERNIZE AND EQUALIZE THE ADMISSIONS TAX BY EXTENDING
3 IT TO INTERNET TICKET RESELLERS AND TO APPLY THE TAX ONLY TO THE
4 CHARGE FOR ADMISSION TO AN EVENT AND NOT TO EXTRA AMENITIES.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 105-37.1 reads as rewritten:

7 "**§ 105-37.1. ~~Dances, athletic events, shows, exhibitions, and other entertainments.~~Live**
8 **entertainment and ticket resales.**

9 (a) Scope. – A privilege tax is imposed on the ~~gross receipts of a person who is engaged~~
10 ~~in any of the following:~~

11 (1) ~~Giving, offering, or managing a dance or an athletic contest for which an~~
12 ~~admission fee in excess of fifty cents (50¢) is charged.~~The gross admissions
13 receipts of a person who is engaged in providing admission to live
14 entertainment of any kind. Gross admissions receipts under this subdivision
15 do not include charges for amenities. If charges for amenities are not
16 separately stated on the face of an admission ticket, then the charge for
17 admission is considered to be equal to the admission charge for tickets to the
18 same event that does not include amenities and that are directly in front of or
19 closest to the seats that do include amenities.

20 (2) ~~Giving, offering, or managing a form of amusement or entertainment that is~~
21 ~~not taxed by another provision of this Article and for which an admission fee~~
22 ~~is charged.~~The gross receipts of a person who is engaged in the business of
23 reselling on the Internet under G.S. 14-344.1 an admission ticket that is
24 taxable under subdivision (1) of this subsection. If the price of an admission
25 ticket is printed on the face of the ticket, gross receipts under this
26 subdivision exclude the face price. If the price of an admission ticket is not
27 printed on the face of the ticket, the tax under this subdivision applies to the
28 difference between the amount the reseller paid for the ticket and the amount
29 the reseller charges for the ticket.

30 (3) ~~Exhibiting a performance, show, or exhibition, such as a circus or dog show,~~
31 ~~that is not taxed by another provision of this Article.~~

32 (b) Rate and Payment. – The rate of the privilege tax imposed by this section is three
33 percent (3%) ~~of the gross receipts from the activities described in subsection (a) of this~~

1 ~~section (3%).~~ The tax is due when a return is due. A return is due by the 10th day after the end
2 of each month and covers the gross receipts received during the previous month.

3 (c) Advance Report. – A person who owns or controls ~~a performance, show, or~~
4 ~~exhibition~~ the performance of live entertainment subject to the tax imposed by this section and
5 who plans to bring the performance to this State from outside the State must file a statement
6 with the Secretary that lists the dates, times, and places of the ~~performance, show, or exhibition.~~
7 performance. The statement must be filed no less than five days before the first ~~performance,~~
8 ~~show, or exhibition~~ performance in this State.

9 (d) Local Taxes. – Cities may levy a license tax on a person taxed under subdivision
10 (a)(1) ~~or (a)(2)~~ of this section; however, the tax may not exceed twenty-five dollars ~~(\$25.00).~~
11 ~~Cities may levy a license tax on a person taxed under subdivision (a)(3) of this section;~~
12 ~~however, the tax may not exceed twenty-five dollars (\$25.00) for each day or part of a day the~~
13 ~~performance, show, or exhibition~~ performance of live entertainment is given at each location.
14 Cities may not levy a license tax on a person taxed under subdivision (a)(2) of this section.

15 Counties may not levy a license tax on a person taxed under ~~subdivision (a)(1) or (a)(2) of~~
16 ~~this section. Counties may levy a license tax on a person taxed under subdivision (a)(3) to the~~
17 ~~same extent as a city."~~

18 **SECTION 2.** G.S. 14-344.1(e) is repealed.

19 **SECTION 3.** If any provision of this act is declared by a court to violate the
20 Internet Tax Freedom Act, Pub. L. 105-277, §§ 1100-1104, as amended, or is otherwise found
21 to be invalid, then G.S. 14-344.1 is repealed.

22 **SECTION 4.** G.S. 105-37.1(a)(2), as amended by Section 1 of this act, becomes
23 effective January 1, 2011, and applies to admission tickets sold on or after that date. The
24 remainder of Section 1 of this act and Section 2 of this act become effective August 1, 2010.
25 G.S. 105-37.1(a)(1), as amended by Section 1 of this act, applies to admissions provided on or
26 after August 1, 2010. The remainder of this act is effective when it becomes law.